

Message Text

CONFIDENTIAL

PAGE 01 OSLO 01586 251618 Z

45

ACTION EUR-25

INFO OCT-01 EA-11 ADP-00 IO-12 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-02 PA-03 PRS-01 USIA-12 AGR-20 TAR-02

RSR-01 /201 W

----- 029585

R 251541 Z APR 73

FM AMEMBASSY OSLO

TO SECSTATE WASHDC 6569

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

C O N F I D E N T I A L OSLO 1586

E. O. 11652: GDS

TAGS: EFIN ETRD

SUBJ: MOVES TO COUNTER DOLLAR DEVALUATION (C- ER-3-57235)

REF: STATE 70706

SUMMARY: NORWEGIAN GOVERNMENT INTENDS TO COMPENSATE ITS EXPORT-
ERS FOR LOSSES FROM DOLLAR DEVALUATION THROUGH INTEREST FREE LOANS
(TOTALING ABOUT DOLS 42 MILLION), TAX REFUNDS (ABOUT DOLS 1.1
MILLION). END SUMMARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OSLO 01586 251618 Z

1. EVER SINCE NORWAY DECIDED NOT TO DEVALUE IN MID- MARCH 1973, NORWEGIAN EXPORTERS AND SHIPOWNERS HAVE SOUGHT COMPENSATION FROM THE GOVERNMENT FOR ALLEGED LOSSES SUFFERED FROM DOLLAR DEVALUATION.

2. A BILL (PROPOSITION NO. 115) HAS BEEN SUBMITTED TO THE STORTING WHICH PROVIDES SPECIAL LIQUIDITY LOANS FOR FIRMS (INDUSTRIES AND MINES) DAMAGED BY " THE EXCHANGE RATE CHANGES OF FEBRUARY AND MARCH." LOANS UP TO 250 MILLION KRONER MAY BE GRANTED; 50 MILLION OF THIS WOULD BE SET ASIDE FOR HARD- HIT HOME INDUSTRIES IN THE PROCESS OF STRUCTURAL CHANGE. LOANS WOULD BE INTREST- FREE FOR FIVE YEARS THEN BEAR 6-1/2 INTEREST FOR THE NEXT THREE YEARS. LOANS WOULD BE AVAILABLE ONLY TO FIRMS EXPORTING AT LEAST 30 PERCENT OF THEIR GROSS SALES IN 1972 TO COUNTRIES WHICH DEPRECIATED THEIR CURRENCY IN RELATION TO THE KRONER IN FEBRUARY AND MARCH 1973. THE FIRMS MUST ALSO PROVE THEY ARE FACED WITH SUBSTANTIAL DIFFICULTIES FROM THIS DEVALUATION. THE SIZE OF THE LOANS WILL BE BASED ON THE AMOUNT OF EXPORTS. THE SYSTEM WILL BE ADMINISTERED BY THE INDUSTRY MINISTRY WITH LOAN RECOMMENDATIONS APPROVED BY A CONSULTATIVE COMMITTEE COMPOSED OF THE MINISTRIES OF COMMERCE, MUNICIPAL AND LABOR AFFAIRS AND INDUSTRY. THE NORWEGIAN EXPORT COUNCIL HAS ASKED ALL ITS MEMBERS TO SUBMIT THEIR LOAN REQUESTS BY MID- MAY ON THE ASSUMPTION THAT THE STORTING WILL HAVE PASSED THE BILL BY THEN.

3. EXPORT COUNCIL SOURCES TELL US THAT, IN ADDITION TO THESE SPECIAL LOANS, THE PULP AND PAPER INDUSTRY WILL BE ALLOWED TO OBTAIN REFUNDS ON THEIR TAXES FOR OIL AND ELECTRIC POWER UP TO A TOTAL OF 27 MILLION KRONER (ABOUT DOLS 4.5 MILLION). IN ADDITION, SHIPPING COMPANIES AND INDUSTRIAL FIRMS WILL BE PERMITTED TO MAKE USE OF CERTAIN TAX FREE FUNDS.

4. IN ADDITION TO THE REGULAR ANNUAL AMOUNT (9 MILLION KRONER OR DOLS 1.5 MILLION) APPROPRIATED FOR EXPORT PROMOTION MEASURES IN 1973, THE BILL WILL AUTHORIZE 7 MILLION KRONER (DOLS 1.1 MILLION) FOR EXPENDITURE IN 1973 ONLY. OF THIS AMOUNT, 2 MILLION KRONER WILL BE EARMARKED FOR THE CANNING INDUSTRY.

5. COMMENT: EMBASSY SHARES THE EXPORT COUNCIL' S OPTIMISM THAT THIS DEVALUATION COMPENSATION BILL WILL PASS. FINAL STORTING ACTION WILL BE REPORTED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OSLO 01586 251618 Z

CROWE

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OSLO01586
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: OSLO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730451/aaaaiwwc.tel
Line Count: 113
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 STATE 70706
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2001 by worrelsw>; APPROVED <10-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980202
Subject: MOVES TO COUNTER DOLLAR DEVALUATION (C- ER-3-57235)
TAGS: EFIN, ETRD
To: BONN
BRUSSELS
CANBERRA
COPENHAGEN
EUR
HELSINKI
LONDON

LUXEMBOURG
SECSTATE WASHDC

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005